

## CONCLUSION SUPPLEMENTARY AGREEMENT TO THE LOAN AGREEMENT

**MOSCOW, RUSSIA – December 18, 2017 – HALS-Development (LSE, MICEX: HALS)**, a major Russian real estate Company announces, that the Company has entered into interested party transaction on the 18th December 2017, i.e. has concluded Supplementary Agreement No. 2 to the Loan Agreement of 25.10.2016 №DZ2510/16-GD-PKam (hereinafter referred to as "Supplementary Agreement No. 2") with CJSC «Boarding House «Kamelia» (Borrower).

Conclusion Supplementary agreement No. 2 is aimed at increasing the limit under the Loan Agreement №DZ2510/16-GD-PKam dated October 25, 2016 to 3,970,000,000.00 (Three billion nine hundred and seventy million 00/100) rubles.

Transaction Price: 3 526 067 876.71 (Three billion five hundred twenty six million seventy eight seven hundred and seventy six 71/100) rubles - the amount by which the limit under the Loan Agreement №DZ2510/16-GD-PKam dated October 25, 2016 increases, taking into account interest that will be accrued for the amount of the limit increase.

**Hals-Development** ("the Company") is the fastest growing developing company, specializing in commercial and residential real estate; it controls all stages of development project: from making conception till the following management of the built object. The main shareholder of the Company is VTB Bank.

The Company was the first Russian property developer to list its shares on the main market of the London Stock Exchange. The Company's shares are also listed on the Moscow Exchange.

The company is in the top five of the largest developers in Moscow. The total value of development projects of HALS-Development is 1.6-mil sq.m. In 2016 the Company put into operation 4 projects with total area 300 thousand sq.m.: the first phase of construction of the business class residential premises of "Nasledie"; "Wine House"; "Peking Gardens"; "IQ-Quarter" residential block (MMDC "Moscow-City").

The total value of currently developing projects by HALS-Development is about 800 thousands sq.m. Hals-Development is currently developing such projects as development of the second phase construction of the business class residential premises of "Nasledie"; multifunctional complex "Iskra-Park", non-residential towers of "IQ-Quarter" (MMDC "Moscow-City"), the residential complex "Dostoyanie", the luxury residential premises "Taetralny Dom".

The Company's portfolio includes such existing facilities as the business centers SkyLight, "Danilovsky Fort", hotel "Beijing", the shopping and entertainment complex "CDM at Lubyanka", resort complex "Camellia" in Sochi and other objects in Moscow and regions.

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